September 23, 1977

Memo to File:

Re: Atlas Minerals Happy Jack Mine Act/037/024

On September 21, 1977, Ron Daniels and Brian Buck visited this active uranium mine near Hite. This property is the oldest mine in the White Canyon area and was originally located in 1900 as a copper prospect. The ores were not amenable to copper milling and smelting because of an unknown effect which in 1920 discovered to be uranium mineralization averaging 0.25%. When the valuable uranium content was discovered the ore proved to be not amenable to the extrative processes of that era as the copper was a penalty metal in ores mined for radium. In 1949, technological advances made the uranium ore commercial and production began in earnest and one (1) million tons of ore were shipped prior to 1967.

Most of the early production was from an open pit driven into the hillside until the pit area was 600 feet, (183 m) in diameter and the high wall was 75 feet, (22.9 m) in height. A number of adits were then driven into the hillside and some workings extended over 1,100 feet, (335.3 m).

The present condition of the mine is poor. There is quite a bit of debris around and a number of the portals are caving. Atlas will be mining a small block of ore, using underground methods. The company is proposing the reclamation of only those portions of the property necessary for their operations. This work is to include general cleanup, portal sealing, regrading and seeding. Another visit with Brad Clark will be needed to properly document precisely those areas that will or will not be reclaimed.

BRIAN W. BUCK & BENGINEERING GEOLOGIST